CHAPTER IV.

Financial Results.

Revenue and Expenditure of the Forest year.

134. The financial results of the Forest year 1896-97, as well as those of the one preceding it, are compared in the following statement:—

Year.	Receipts.	Expenditure.			Surplus.
		A.	B.	Total.	
		Conservancy and Works.	Establishment.		
	Rs.	Rs.	Rs.	Rs.	Rs.
1895-96 ...	4,65,745	1,28,550	1,06,257	2,34,807	2,30,938
1896-97 ...	3,12,297	24,266	1,09,943	1,34,209	1,78,088
Difference ...	1,53,448	1,04,284	3,686	1,00,598	52,850

Receipts and Charges of the Financial year.

135. A comparison of the figures for the two Financial years is made in the subjoined statement:—

Year.	Receipts.	Expenditure.			Surplus.
		A.	B.	Total.	
		Conservancy and Works.	Establishment.		
	Rs.	Rs.	Rs.	Rs.	Rs.
1895-96 ...	4,95,121	1,76,807	1,06,171	2,82,978	2,12,143
1896-97 ...	3,32,087	24,892	1,07,132	1,32,024	2,00,063
Difference ...	1,63,034	1,51,915	961	1,50,954	12,080

136. The gross receipts and expenditure of the Forest and the Financial year exhibit considerable variations. An exact comparison of the figures is not, however, possible, for the reason that in 1895-96 the Departmental system of exploitation was in force for six months in the Financial year and for three months in the Forest year, whereas in 1896-97 the fellings, having been almost exclusively conducted under a different agency of exploitation, which was introduced from 1st October 1895, that year's accounts, both for the Forest and the Financial period, were not burdened with the heavy cost which the cutting of wood, the manufacture of charcoal and other incidental operations, when carried out through the agency of the Department, usually entail It is, therefore, necessary to confine the contrast to the state of the surplus revenue only.

137. The net receipts of the Forest as well as that of the Financial year exhibit a decrease of Rs. 52,856 and Rs. 12,080, respectively, which would have been fully covered had it not been for the unforeseen difficulties experienced by the Department in recovering the instalments on the coupe contracts alone on the dates they fell due, the amounts of such outstanding balances of revenue being Rs. 22,500 at the end of March 1897 and Rs. 61,000 at the end of June 1897. The presence of the plague brought about a dearth of labour, which could not be procured in many places, although remunerative wages were offered by the coupe contractors. On the other hand, there was an accumulation of stocks for which there was no market for the time being. Demand for timber sank to the lowest ebb, and, added to this, the North-

Western Railway were not able to utilise the full yield in firewood of the coupes owing to slackness of traffic. Moreover, trade was paralysed and the money market became very tight in consequence. It has been noticed in last year's report (paragraph 97) that the carrying out of an undertaking of the nature of a coupe contract in Sind requires a somewhat large capital to be sunk in it at starting in order to prove remunerative in the end. Having laid out large sums of money at the commencement of the working season, the contractors despaired of realising their expected profits when they found that they could not command labour or capital, nor dispose of their material to enable them to fulfil their monetary engagements with the Department. Such was the state of affairs when the Financial year came to a close, although it had improved just a little by the time the Forest year terminated, but not to such an extent as to dispel all fears altogether.

138. A reference to Form No. 63 for the Financial and the Forest year will show that the outstandings on account of revenue are exceedingly heavy, and amount in the aggregate to Rs. 1,02,599-8-6 in the one and to Rs. 78,533-15-3 in the other. Every pressure was brought to bear upon the contractors, even to the extent of threatening them with the extreme penalty of cancelling their agreements. This had the desired effect in so far that the money which was due before the 1st April 1897 was paid before the 30th June following, but nevertheless the instalments which were payable in the last quarter of the Forest year remained unadjusted. As it was found that they recognised the priority of the claims of the Department and had done their utmost to satisfy them, it was not deemed advisable to subject them to undue hardship, especially as their sources of income had temporarily ceased and money could not be borrowed even at an exorbitant rate of interest. The work of extracting bahan timber also had to come to a stand still, and the expected outturn fell much below the minimum quantities which the area under the selection method was capable of yielding, and with it the revenue anticipated to be realised. Taking the above facts into consideration, the financial position of the Department is not so discouraging as it looks. The exceptional difficulties mentioned above now no longer exist, and it is hoped that against the deficit which has occurred a fair set-off will be shown in the next year.

Comparison of financial results by Divisions.

139. The following statement compares the revenue and expenditure of the two Forest years 1895-96 and 1896-97 according to Divisions :—

Division.	Receipts.		Charges.		Surplus.		Deficit.		Percentage of charges on receipts.	
	1895-96.	1896-97.	1895-96.	1896-97.	1895-96.	1896-97.	1895-96.	1896-97.	1895-96.	1896-97.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Direction	11	...	23,820	22,535	...	...	23,809	22,535	...	...
Sukkur	1,67,450	1,10,323	80,854	31,011	86,596	79,312	...	...	48	28
Naushahro ...	76,599	41,646	40,643	17,391	35,956	24,255	...	...	53	42
Hyderabad ...	1,43,650	1,03,046	52,852	20,809	90,798	82,237	...	...	37	20
Jerruck	66,995	50,994	29,632	25,366	37,363	25,628	...	...	44	50
Thar and Parkar ...	10,952	6,288	6,211	2,821	4,741	3,467	...	...	57	45
Working Plans ...	118	...	795	14,276	...	...	677	14,276	...	...
Total...	4,65,775	3,12,297	2,34,807	1,34,209	2,30,968	1,78,088	...	...	50	43

DIRECTION.—The deficit in 1896-97 is less than that of the previous year by Rs. 1,274. Although the increased rate of pay drawn by the administrative officer now in charge of the Circle during the year was almost covered by the salary drawn by Mr. Deshpande, who was attached to the Circle office for four months of 1895-96, there is a deficit of Rs. 1,274, which is due to an unusual charge on account of mathematical instruments having been debited in the latter year to the Circle accounts as well as to the reduction of expenses under B.—III Contingencies, in view of the orders of Government to observe economy and postpone all avoidable expenditure.

SUKKUR.—The expenditure of this Division is much less in the year, both under "A.—Conservancy and Works" and "B.—Establishment," owing to the absence of debits on account of timber and fuel operations, to the cost of demarcation not being so heavy as that of the previous year, and to the reduction in the salaries and travelling allowances drawn by the officers concerned; but the non-payment of instalments due from coupe contractors, reasons for which have been explained in paragraphs 137 and 138, has chiefly affected the surplus revenue not only of this Division but of others as well.

NAUSHAHRO.—The net surplus exhibits a falling off of Rs. 11,701, which is accounted for partly by the revenue shown as outstanding at the close of the year and partly by anticipated receipts by sale of bahan timber not having been realised.

HYDERABAD.—The remarks against Naushahro apply to this Division also.

JERRUCK.—If all the revenue payable during the year had been credited in the accounts, the deficit of Rs. 11,736 would have been counterbalanced.

140. The percentage of charges over the gross revenue realised has further declined, which does not require to be specially explained. In Jerruck, it is somewhat high, the rise having been caused chiefly by the officer now in charge being in receipt of a much higher salary than that of the one whom he succeeded.

Abstract of Financial results.

141. An abstract of annual Form No. 65 is given in the subjoined statement :—

Heads.	Receipts.		Charges.		Percentage of the gross revenue spent.	
	1895-96.	1896-97.	1895-96.	1896-97.	1895-96.	1896-97.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I.—Departmental Operations.	1,70,856	7,617	1,44,692	41,604	31	13
II.—Other Revenue	2,94,889	3,04,680	36,745	42,264	8	14
III.—Formation, protection and improvement of Forests.	...	...	53,470	50,341	11	16
Total ...	4,65,745	3,12,297	2,34,807	1,34,209	50	43

142. Under the first item, there is a marked decrease, which does not call for any remarks, as the heading itself indicates that it has resulted from the abandonment of the system operations in connection with which are no longer carried out through the agency of the Department. The Working Plans Division came into existence in May 1896, and therefore in the accounts of 1895-96 expenditure on establishment only appeared but for a month, while the year 1896-97 includes such charges for twelve months, as also the salaries of chainmen and the cost of demarcation operations. These reasons, coupled with the increased salaries drawn by the administrative as well as controlling officers, have helped to raise somewhat the percentage of the gross revenue spent under the other two heads.

Value of the stock on hand.

143. The following figures show the value of the balance of timber and other produce on hand at the commencement and close of the forest year :—

	Value of Timber.	
On 1st July 1896	Rs.	7,210
On 30th June 1897	„	1,909
Against the year ...	Rs.	5,301

144. For obvious reasons, the value of the material on hand must decline as there is no accumulation of stocks at present, as was the case under the Departmental system.

Outstandings on account of advances.

145. Outstandings and liabilities on account of contractors and disbursers for the fuel year ending 30th September 1897 are summarised in the following statement :—

Division.	Advance outstanding on 1st October 1896.	Disbursements made during the fuel year 1896-97 (October 1896 to September 1897).	Total of columns II and III.	Recoveries made during the year.	Balance outstanding on 30th September 1897.
	Rs.	Rs.	Rs.	Rs.	Rs.
Sukkur	3,300	18,865	22,165	20,408	1,757
Naushahro ...	723	11,238	11,961	9,775	2,186
Hyderabad ...	1,813	12,020	13,833	12,864	969
Jerruck	1,037	9,569	10,606	9,748	858
Total ...	6,873	51,692	58,565	52,795	5,770

146. There has been no slackness in renewing the efforts made last year to effect the recoveries of the outstanding advances, but, as a great portion comprises sums advanced to petty contractors under the old system, it will be necessary to have recourse to law in some cases, while in others they will have to be debited to Profit and Loss Account. For items of the former nature, papers relating to each contractor have been submitted to the Commissioner in Sind, along with the translation of vernacular documents, with a view to the opinion of the Legal Remembrancer being obtained, and for those of the latter kind it will be necessary to approach Government with an application to write them off as irrecoverable, as some of the individuals have absconded and their whereabouts cannot be traced, a few are dead, and the insolvency of the rest has been established. In the Naushahro Division, the increase is due to a special advance having been made to a Range Forest Officer for carrying on erosion fellings, and the whole of it could not be adjusted when the fuel year came to a close. The Civil suit which was instituted against Saleh Shah *walad* Alim Shah, under the authority of Government Resolution No. 9629, dated 30th November 1896, was decided in favour of the Department after the Forest year terminated.

Outstandings on account of revenue.

147. The outstandings on account of revenue of the Forest year in each Division are contrasted with those of the year before in the following statement :—

Division.	Outstandings on account of revenue	
	On 30th June 1896.	On 30th June 1897.
	1895-96.	1896-97.
	Rs. a. p.	Rs. a. p.
Sukkur ...	15,000 0 0	13,932 4 2
Naushahro ...	7,189 9 2	7,639 14 0
Hyderabad ...	24,040 8 0	41,357 10 6
Jerruck ...	9,950 4 8	15,604 2 7
Thar and Parkar ...	.....	.....
Total ...	56,180 5 10	78,533 15 3

148. The causes which combined to let large sums remain as an outstanding revenue were more or less beyond the control of the Department, and as they have been fully explained in paragraph 137, it is not necessary to recapitulate them here.

Net results of the year's working.

149. The results of the year's transactions, as contrasted with those of the one preceding, stand as under :—

	1895-96.	1896-97.
Cash surplus	Rs. 2,30,938	Rs. 1,78,088
Add—		
Value of Stock	Rs. 7,210	Rs. 1,909
Outstandings of Revenue ...	„ 56,180	„ 78,534
	Rs. 2,94,328	Rs. 2,58,531
Deduct—		
Outstandings and liabilities on account of contractors and disbursers	Rs. 8,966	Rs. 5,850
Total net Profit	Rs. 2,85,362	Rs. 2,52,681

150. The figures of the year 1896-97 do not compare favourably with those of 1895-96, which was to be expected, as the efforts to further improve the surplus from other minor sources of revenue, to make up for the reduction of old stocks on hand, did not meet with the anticipated success owing to the outbreak of the Bubonic plague.